UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re: CH LIQUIDATION ASSOCIATION, an Ohio nonprofit corporation, Debtor. (Federal Tax I.D. No. 31-4387577)	)) Chapter 11)) Case No. 16-51552)) Judge Koschik)))

DEBTOR'S FIRST AMENDED DISCLOSURE STATEMENT FOR FIRST AMENDED JOINT CHAPTER 11 PLAN OF LIQUIDATION FOR COSHOCTON COUNTY MEMORIAL HOSPITAL ASSOCIATION N/K/A CH LIQUIDATION ASSOCIATION OF THE DEBTOR AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

THIS IS NOT A SOLICITATION OF VOTES ON THE JOINT PLAN. VOTES MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT HAS APPROVED A DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT.

Dated: May 22, 2017	/s/ Sean D. Malloy Sean D. Malloy (0073157) Michael J. Kaczka (0076548) Maria G. Carr (0092412) McDONALD HOPKINS LLC 600 Superior Avenue, E., Suite 2100 Cleveland, OH 44114 Telephone: (216) 348-5400 Facsimile: (216) 348-5474 E-mail: smalloy@mcdonaldhopkins.com mkaczka@mcdonaldhopkins.com mcarr@mcdonaldhopkins.com COUNSEL FOR DEBTOR AND DEBTOR IN POSSESSION

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Chapter 11 Joint Plan of Orderly Liquidation Exhibit A
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I. INTRODUCTION

ALL CAPITALIZED TERMS USED IN THIS DISCLOSURE STATEMENT AND NOT OTHERWISE DEFINED HEREIN WILL HAVE THE MEANINGS ASCRIBED THERETO IN THE JOINT PLAN (SEE, E.G., ARTICLE I, SECTION 1.1 OF THE JOINT PLAN). UNLESS OTHERWISE STATED, ALL REFERENCES HEREIN TO "SCHEDULES" AND "EXHIBITS" ARE REFERENCES TO SCHEDULES AND EXHIBITS TO THIS DISCLOSURE STATEMENT, RESPECTIVELY.

BY ORDER DATED __________, 2017 (THE "DISCLOSURE STATEMENT ORDER"), THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF OHIO (THE "BANKRUPTCY COURT") APPROVED THIS DISCLOSURE STATEMENT, WHICH RELATES TO THE CHAPTER 11 PLAN OF LIQUIDATION FOR COSHOCTON COUNTY MEMORIAL HOSPITAL ASSOCIATION N/K/A CH LIQUIDATION ASSOCIATION (THE "JOINT PLAN").

THIS DISCLOSURE STATEMENT INCLUDES AND DESCRIBES THE JOINT PLAN, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT A, FILED BY COSHOCTON COUNTY MEMORIAL HOSPITAL ASSOCIATION N/K/A CH LIQUIDATION ASSOCIATION (THE "DEBTOR") AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS (THE "COMMITTEE"). WHILE THE JOINT PLAN IS BEING PROPOSED JOINTLY BY DEBTOR AND THE COMMITTEE, THIS DISCLOSURE STATEMENT AND THE REPRESENTATIONS CONTAINED HEREIN REMAIN ARE STATEMENTS SOLELY OF THE DEBTOR AND REMAIN THE SOLE RESPONSIBILITY OF THE DEBTOR. NO STATEMENT HEREIN IS OR SHALL BE DEEMED A STATEMENT, ADMISSION, OR OTHER REPRESENTATION OF THE COMMITTEE. OTHER THAN CLASS 1 – PRIORITY NON-TAX CLAIMS AND CLASS 2 – NON-LENDER SECURED CLAIMS, EACH OF WHICH ARE UNIMPAIRED UNDER THE JOINT PLAN AND ARE THEREFORE DEEMED TO HAVE ACCEPTED THE JOINT PLAN, ALL CLASSES OF CLAIMS ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE JOINT PLAN. ACCORDINGLY, THE DEBTOR IS SOLICITING ACCEPTANCES OF THE JOINT PLAN FROM THE HOLDERS OF ALL CLAIMS IN CLASSES 3, 4, AND 5.

THE DEBTOR BELIEVES THAT THE JOINT PLAN IS IN THE BEST INTEREST OF AND PROVIDES THE HIGHEST AND MOST EXPEDITIOUS RECOVERIES TO HOLDERS OF CLAIMS. ALL HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE JOINT PLAN ARE URGED TO VOTE IN FAVOR OF THE JOINT PLAN.

TO BE COUNTED, YOUR BALLOT MUST BE DULY COMPLETED, EXECUTED AND RECEIVED BY ___:___ _.**M., PREVAILING EASTERN TIME, ON ____________, 2017 (THE "VOTING DEADLINE")**. FOR THE AVOIDANCE OF DOUBT, THE DEBTOR RESERVES THE RIGHT TO OBJECT TO CLAIMS AFTER THE VOTING DEADLINE. MOREOVER, IT IS POSSIBLE THAT HOLDERS OF CLAIMS, INCLUDING UNSECURED CLAIMS, THAT DO NOT APPEAR ON THE DEBTOR'S SCHEDULES AND ARE NOT ALLOWED CLAIMS, WILL NOT RECEIVE A DISTRIBUTION ON ACCOUNT OF SUCH CLAIMS UNTIL THE EXPIRATION OF THE TIME PERIOD WITHIN WHICH CLAIM OBJECTIONS MUST BE FILED AS REFERENCED IN THE JOINT PLAN.

FOR YOUR ESTIMATED PERCENTAGE RECOVERY UNDER THE JOINT PLAN, PLEASE SEE THE CHART SET OUT IN "OVERVIEW OF THE JOINT PLAN – SUMMARY OF DISTRIBUTIONS UNDER THE JOINT PLAN."

II. NOTICE TO HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE JOINT PLAN

THE PURPOSE OF THIS DISCLOSURE STATEMENT IS TO ENABLE YOU, AS A CREDITOR WHOSE CLAIM IS IMPAIRED UNDER THE JOINT PLAN, TO MAKE AN INFORMED DECISION IN EXERCISING YOUR RIGHT TO ACCEPT OR REJECT THE JOINT PLAN.

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE JOINT PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE JOINT PLAN, THE EXHIBITS ANNEXED TO THE JOINT PLAN AND THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF. DELIVERY OF THIS DISCLOSURE STATEMENT AFTER THE DATE HEREOF DOES NOT IMPLY THAT THERE HAS BEEN NO CHANGE IN INFORMATION SET FORTH HEREIN SINCE THAT DATE. THE DEBTOR HAS NO DUTY TO, AND EXPRESSLY DISCLAIMS ANY OBLIGATION TO, UPDATE OR ALTER ANY FORWARD-LOOKING STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, UNLESS OTHERWISE ORDERED TO DO SO BY THE BANKRUPTCY COURT. IN THE EVENT OF ANY CONFLICT BETWEEN THE DESCRIPTIONS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE JOINT PLAN, THE TERMS OF THE JOINT PLAN WILL GOVERN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAW OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS OF THE DEBTOR SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE JOINT PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

CERTAIN STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING ANY FINANCIAL INFORMATION, ILLUSTRATIVE CREDITOR

RECOVERIES AND OTHER FORWARD-LOOKING STATEMENTS, ARE BASED, AT LEAST IN PART, ON ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. MOREOVER, THE DEBTOR RESERVES ALL ITS RIGHTS TO ASSERT THAT THE ALLOCATION OF VALUE MAY BE DIFFERENT.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT WILL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE BY THE DEBTOR IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE JOINT AS TO HOLDERS OF CLAIMS AGAINST THE DEBTOR IN ITS CHAPTER 11 CASE.

On _________, 2017, after notice and a hearing, the Bankruptcy Court entered the Disclosure Statement Order pursuant to section 1125 of the Bankruptcy Code, finding that this Disclosure Statement contains information of a kind, and in sufficient detail, adequate to enable a hypothetical, reasonable investor typical of holders of the solicited classes of Claims against the Debtor to make an informed judgment with respect to the acceptance or rejection of the Joint Plan. **APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT OF THE FAIRNESS OR MERITS OF THE JOINT PLAN OR OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.**

Each holder of a Claim entitled to vote to accept or reject the Joint Plan should read this Disclosure Statement and the Joint Plan in their entirety before voting. No solicitation of votes to accept or reject the Joint Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. Except for the Debtor and certain of the Professional Persons the Debtor has retained, no person has been authorized to use or promulgate any information concerning the Debtor, its business, or the Joint Plan other than the information contained in this Disclosure Statement, and if given or made, such information may not be relied upon as having been authorized by the Debtor. You should not rely on any information relating to the Debtor, its business, or the Joint Plan other than that contained in this Disclosure Statement, the exhibits hereto, and the Joint Plan itself.

After carefully reviewing this Disclosure Statement, including the attached exhibits, please indicate your acceptance or rejection of the Joint Plan by voting in favor of or against the Joint Plan on the enclosed ballot (the "Ballot") and return the same to the address set forth on the Ballot, in the enclosed, postage prepaid, return envelope so that it will be actually received by Garden City Group LLC (the "Solicitation Agent" or "Claims Agent," as applicable) no later than the Voting Deadline. All votes to accept or reject the Joint Plan must be cast by using the appropriate Ballot. Votes which are cast in any other manner will not be counted. **All Ballots must be actually received by the Solicitation Agent no later than _________, 2017 at __:__ _.m., prevailing Eastern Time. For detailed voting instructions and the name, address and**

phone number of the person you may contact if you have questions regarding the voting procedures, see the Disclosure Statement Order attached hereto as Exhibit B.

DO NOT RETURN ANY OTHER DOCUMENTS WITH YOUR BALLOT.

You may be bound by the Joint Plan if it is accepted by the requisite holders of Claims even if you do not vote to accept the Joint Plan, or if you are the holder of an unimpaired Claim.

THE PLAN CONTAINS BROAD RELEASES AND INJUNCTIONS THAT WILL AFFECT YOUR RIGHTS AS DESCRIBED IN SECTION VIII OF THIS DISCLOSURE STATEMENT AND ARTICLE IX OF THE JOINT PLAN. YOU SHOULD CAREFULLY REVIEW THE PROVISIONS OF THESE RELEASES AND INJUNCTIONS WHEN MAKING YOUR DECISION ON WHETHER TO VOTE TO ACCEPT OR REJECT THE JOINT PLAN.

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Joint Plan (the "Confirmation Hearing") for _________________, 2017 at __: _.m., prevailing Eastern Time, before the Honorable Alan M. Koschik, United States Bankruptcy Judge of the United States Bankruptcy Court for the Northern District of Ohio. The Bankruptcy Court has directed that objections, if any, to confirmation of the Joint Plan be filed and served on or before _________________, 2017 at __:__ _.m., prevailing Eastern Time, in the manner described in the Disclosure Statement Order attached hereto as Exhibit B.

THE COMMITTEE ALSO JOINTLY PROPOSES THE JOINT PLAN AND URGES ALL HOLDERS OF IMPAIRED CLAIMS TO ACCEPT THE JOINT PLAN.

III. EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code pursuant to which a debtor may reorganize its business for the benefit of its creditors, equity holders and other parties in interest. The Debtor commenced its chapter 11 case, captioned In re Coshocton County Memorial Hospital Association,[1] Case No. 16-51552 (the "Chapter 11 Case"), with the filing of a voluntary petition (the "Petition") for relief under chapter 11 of the Bankruptcy Code on June 30, 2016 (the "Petition Date").

The commencement of a chapter 11 case creates an estate comprised of all the legal and equitable interests of a debtor in property as of the date the petition is filed. Sections 1101, 1107 and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a "debtor in possession" unless the bankruptcy court orders the appointment of a trustee. In the Chapter 11 Case, the Debtor has remained in possession of its property and continued to operate its business as a debtor in possession up to

[1] Now In re CH Liquidation Association.

the October 31, 2016, closing on the sale of substantially all of its assets to Prime Healthcare Foundation, Inc. and Prime Healthcare Foundation-Coshocton, LLC (together, the "Buyer").

The filing of a chapter 11 petition triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, among other things, for an automatic stay of all attempts by creditors or other third parties to collect prepetition claims from the debtor or otherwise interfere with its property or business. Exempted from the automatic stay are governmental authorities seeking to exercise regulatory or policing powers. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the effective date of a confirmed chapter 11 plan.

The formulation of a chapter 11 plan is the primary purpose of a chapter 11 case. The plan sets forth the means for satisfying claims against and interests in a debtor's estate. Unless a trustee is appointed, only a debtor may file a plan during the first 120 days of a chapter 11 case (the "Filing Period"), and the debtor will have 180 days to solicit acceptance of such plan (the "Solicitation Period" and, collectively with the Filing Period, the "Exclusive Periods"). However, section 1121(d) of the Bankruptcy Code permits the bankruptcy court to extend or reduce the Exclusive Periods upon a showing of "cause." The Filing Period and Solicitation Period may not be extended beyond 18 months and 20 months, respectively, from a debtor's petition date. In the Chapter 11 Case, the Debtor and the Committee filed the Joint Plan within the applicable Filing Period, as extended, and, accordingly, no other creditor or party in interest may file a plan during the Exclusive Periods.

B. Chapter 11 Plan

A chapter 11 plan may provide for anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of a debtor's assets. In either event, upon confirmation of the plan, the plan becomes binding on a debtor and all of its creditors and equity holders, and the prior obligations owed by the debtor to such parties are compromised and exchanged for the obligations specified in the plan. For a description of key components of the Joint Plan, see "Overview of the Joint Plan," below.

After a chapter 11 plan has been filed, the holders of impaired claims against in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare and file a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. **This Disclosure Statement is presented to holders of impaired claims against the Debtor to satisfy the requirements of section 1125 of the Bankruptcy Code in connection with the Debtor's solicitation of votes on the Joint Plan.**

C. Confirmation of a Chapter 11 Plan

If all classes of claims accept a chapter 11 plan, the bankruptcy court may confirm the plan if the bankruptcy court independently determines that the requirements of section 1129(a) of the Bankruptcy Code have been satisfied. See "Confirmation and Consummation Procedures –

Confirmation of the Joint Plan." **The Debtor believes that the Joint Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code**.

Chapter 11 of the Bankruptcy Code does not require that each holder of a claim or interest in a particular class vote in favor of a plan for the bankruptcy court to determine that the class has accepted the plan. See "Confirmation and Consummation Procedures."

In addition, classes of claims that are not "impaired" under a chapter 11 plan are conclusively presumed to have accepted the plan and thus are not entitled to vote. Furthermore, classes that are to receive no distribution under the plan are conclusively deemed to have rejected the plan. See "Confirmation and Consummation Procedures." Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims in an impaired class. In the Chapter 11 Case, Classes 1 and 2 are not impaired under the Joint Plan, and the holders of Claims in such classes are conclusively presumed to have accepted the Joint Plan pursuant to section 1126(f) of the Bankruptcy Code, and are not entitled to vote to accept or reject the Joint Plan. However, Classes 3, 4, and 4 are impaired under the Joint Plan. Therefore, the holders of Claims in such classes are entitled to vote to accept or reject the Joint Plan.

In general, a bankruptcy court also may confirm a chapter 11 plan even though fewer than all the classes of impaired claims against in a debtor accept such plan. For a chapter 11 plan to be confirmed, despite its rejection by a class of impaired claims or equity interests, the plan must be accepted by at least one class of impaired claims (determined without counting the vote of insiders) and the proponent of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or equity interests that has not accepted the plan. See "Confirmation and Consummation Procedures – Cramdown." **The Joint Plan has been structured so that it will satisfy the foregoing requirements as to any rejecting class of Claims and can therefore be confirmed, if necessary, over the objection of any (but not all) classes of Claims**.

IV. OVERVIEW OF THE JOINT PLAN

The Joint Plan provides for the treatment of Claims against the Debtor in the Chapter 11 Case.

A. Summary of the Terms of the Joint Plan

The Joint Plan implements and is built around the following key elements:

- On the Effective Date, the authority, power and incumbency of the Debtor will terminate, and vest in the Liquidation Trustee and Debtor Representative, and all Assets of the Debtor not sold to the Buyer or otherwise distributed in accordance with the Joint Plan, including, without limitation, the Avoidance Actions, will become assets of the Liquidation Trust. The Liquidation Trustee will, among other things, (a) sell, lease, license, liquidate, abandon or otherwise dispose of Liquidation Trust Assets; (b) prosecute through judgment and/or settle any Causes of Action (including Avoidance Actions) and any defense asserted by the

Liquidation Trust in connection with any counterclaim or crossclaim asserted against the Liquidation Trust; (c) calculate and make distributions required under the Joint Plan to be made from the Liquidation Trust Assets; (d) file all required tax returns, and pay obligations on behalf of the Liquidation Trust from the Liquidation Trust Assets; (e) otherwise administer the Liquidation Trust; (f) file quarterly reports with the Bankruptcy Court with respect to the expenditures, receipts, and distributions of the Liquidation Trust; and (g) perform such other responsibilities as may be vested in the Liquidation Trustee pursuant to the Liquidation Trust Agreement, the Confirmation Order, or as may be necessary and proper to carry out the provisions of the Joint Plan relating to the Liquidation Trust.

- On the Effective Date, the Oversight Committee will be formed. The purpose of this group will be to advise and assist the Liquidation Trustee in the implementation and administration of the Liquidation Trust pursuant to the Liquidation Trust Agreement and the Joint Plan. A list of the proposed members of the Oversight Committee, whose appointment will become effective as of the Effective Date of the Joint Plan, will be filed with the Bankruptcy Court as a Plan Document.

- On the Effective Date, the ASA Committee will be formed. The purpose of this group will be to continue to monitor and enforce (at its option and discretion) the Buyer's post-closing obligations under the Asset Sale Agreement related to the continued operation of a full service hospital in Coshocton County, Ohio. A list of the proposed members of the ASA Committee will be filed with the Bankruptcy Court as a Plan Document.

- Allowed Administrative Expense Claims, Priority Tax Claims, and Priority Non-Tax Claims are unimpaired under the Joint Plan, and the holders of such claims will be paid in full.

- Allowed Non-Lender Secured Claims will be treated in one of the following ways at the Liquidation Trustee's election: (i) the holder will receive the net proceeds of the sale of the property securing such claim, up to the Allowed amount of such claim, (ii) the holder will receive the return of property securing such claim, or (iii) the holder will be paid cash equal to the amount of the claim, as set forth more fully in Section 3.3(b) of the Joint Plan.

- Allowed Health Care Claims are impaired under the Joint Plan and will be permitted to "opt in" to treatment under Class 3 or "opt out" of Class 3 and thereby automatically receive treatment under Class 4 as a General Unsecured Creditor. If such holder elects treatment under Class 3, such holder will receive a Pro Rata Share of the $1.2 million Health Care Claims Fund (after accounting for payment of the costs of reconciliation of the Class 3 Claims from the Health Care Claims Fund) based upon the Allowed amount of such holder's Health Care Claim.

- Allowed General Unsecured Claims are impaired under the Joint Plan and will receive on the Plan Distribution Date, in full satisfaction of such claims, a Pro Rata Share of the net proceeds of the Liquidation Trust Assets.

- Allowed Genesis Claims are impaired under the Joint Plan and either will receive treatment as Class 4 General Unsecured Claim or, to the extent such claims are determined by a Final Order not to be an Allowed General Unsecured Claim, will receive treatment as set forth in such Final Order.

B. Summary of Distributions Under the Joint Plan

The following is a summary of the distributions under the Joint Plan. It is qualified in its entirety by reference to the full text of the Joint Plan, which is attached to this Disclosure Statement as Exhibit A. In addition, for a more detailed description of the terms and provisions of the Joint Plan, see "The Chapter 11 Joint Plan" section of this Disclosure Statement.

The claim amounts set forth below are based on information contained in the Debtor's Schedules and filed proofs of claim, and reflect what the Debtor believes to be reasonable estimates of the likely resolution of outstanding disputed Claims. The amounts utilized may differ from the outstanding filed Claims amount.

The following chart summarizes the distribution to unclassified and classified Claims under the Joint Plan:

Unclassified Claims[2]	Treatment
DIP Claims Estimated Allowed Claims: $0.00	Under the Prime Sale Order, all DIP Claims of the Buyer arising under or related to the DIP Documents and all attendant liens and security interests in and on the DIP Collateral were satisfied. The Buyer will not receive or retain any property or rights under the Joint Plan on account of such DIP Claims. **Estimated Recovery: None, previously paid in full.**
Administrative Expense Claims Estimated Allowed Claims: $539,492.88 - $940,192.43	Except to the extent any Person entitled to payment of an Allowed Administrative Expense Claim has received payment on account of such Claim prior to the Effective Date or agrees to a different treatment,

[2] DIP Claims, Administrative Claims and Priority Tax Claims are treated in accordance with section 1129(a)(9) of the Bankruptcy Code. Pursuant to section 1123(a)(1) of the Bankruptcy Code, such Claims are not designated as classes of Claims for the purposes of the Joint Plan.

	each holder of an Allowed Administrative Expense Claim will receive, in full satisfaction if its Allowed Administrative Expense Claim, Cash in an amount equal to the amount of such Allowed Administrative Expense Claim on the later of (i) thirty (30) days after the Effective Date or (ii) the date of entry of a Final Order determining and allowing such Claim as an Allowed Administrative Expense Claim, or as soon thereafter as is practicable; provided, that such treatment will not provide a return to such holder having a present value as of the Effective Date in excess of such holder's Allowed Administrative Expense Claim. **Estimated Recovery: 100% of Allowed Claims**
Priority Tax Claims Estimated Allowed Claims: $0.00	Except to the extent the holder of an Allowed Priority Tax Claim agrees otherwise, each holder of an Allowed Priority Tax Claim will receive, in full satisfaction of such Allowed Priority Tax Claim, Cash in an amount equal to the amount of such Allowed Claim on the later of (i) thirty (30) days after the Effective Date or (ii) the date of entry of a Final Order determining and allowing such Claim as an Allowed Priority Tax Claim, or as soon thereafter as is practicable; provided, that such agreed upon treatment may not provide such holder with a return having a present value as of the Effective Date that is greater than the amount of such holder's Allowed Priority Tax Claim. **Estimated Recovery: 100% of Allowed Claims**
Classified Claims	**Treatment**
Class 1 – Priority Non-Tax Claims Estimated Allowed Claims: $0.00 **Unimpaired**	Each holder of an Allowed Priority Non-Tax Claim against the Debtor will be unimpaired under the Joint Plan and will receive, in full satisfaction of its Priority Non-Tax Claim, Cash equal to the amount of such Allowed Priority Non-Tax Claim on the later of (a) the Plan Distribution Date or (b) the date on which such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, or as soon thereafter as is practicable. **Estimated Recovery: 100% of Allowed Claims**
Class 2 – Non-Lender Secured Claims	In the sole discretion of the Liquidation Trustee, each

Estimated Allowed Claims: $0.00 **Unimpaired**	holder of an Allowed Non-Lender Secured Claim against the Debtor will be treated in one of the following ways (for the avoidance of doubt, holders of Allowed Non-Lender Secured Claims against the Debtor need not be treated in the same way as long as each is treated in one of the following ways): upon the later of thirty (30) days after (i) the Effective Date or (ii) the date on which Non-Lender Secured Claim becomes an Allowed Claim, or as soon thereafter as is practicable, each holder of an Allowed Other Secured Claim will receive: (a) the net proceeds of the sale of the property securing such Allowed Non-Lender Secured Claim, up to the Allowed amount of such Allowed Non-Lender Secured Claim; or (b) the return of property securing such Allowed Non-Lender Secured Claim; or (c) Cash equal to the value of the property securing such Allowed Non-Lender Secured Claim, up to the value of the Allowed Non-Lender Secured Claim; provided, however, if a Final Order has been entered prior to the Effective Date providing for treatment and distributions on account of an Allowed Non-Lender Secured Claim, the Allowed Non-Lender Secured Claim will be treated as set forth in such Final Order. **Estimated Recovery: 100% of Allowed Claims**
Class 3 – Allowed Health Care Claims Estimated Allowed Claims: $2,000,000-$3,000,000 **Impaired**	Each holder of a potentially allowable Health Care Claim will be provided a notice and a ballot by the Debtor providing them the option to "opt in" to treatment under this Class 3 or "opt out" of Class 3 and thereby automatically receive treatment under Class 4 as a General Unsecured Creditor. An election to not "opt in" to Class 3 will be deemed an election to be included in Class 4. If such holder elects treatment under Class 3, such holder will receive a Pro Rata Share of the Health Care Claims Fund (after accounting for payment of the costs of reconciliation of the Class 3 Claims from the Health Care Claims Fund) based upon the Allowed amount of such holder's Health Care Claim. The process for reconciling Class 3 Claims is set forth in Article VIII of the Joint Plan, and parties electing to receive treatment under Class 3 will be given an opportunity to file a new Claim to be reconciled as set

	forth therein. By electing treatment under Class 3, each holder of a Health Care Claim thereby (i) waives and releases (other than its treatment and recovery in Class 3) against the Debtor's former employees and their family members any and all claims whatsoever related in any way to the services that form the basis of such Provider's Health Care Claims, whether such claims were originally the primary obligations of the Debtor or such former employees or family members, and (ii) agrees to contact any credit reporting agency to which the holder has reported the failure to pay the Health Care Claims to have that information removed from the credit report. If a holder of a Health Care Claim elects to opt out of Class 3 and thereby receives treatment under Class 4, such holder will not be allowed to file a new Claim and will be subject to the General Bar Date. Such holder will be treated as a General Unsecured Creditor (a) provided its Health Care Claim was scheduled as an undisputed, liquidated, non-contingent Claim or such holder timely filed a proof of claim in accordance with the General Bar Date; and (b) subject to the applicable Claims objection procedures. **Estimated Recovery: 40% - 60% of Allowed Claims**
Class 4 – Allowed General Unsecured Claims: Estimated Allowed Claims (if Genesis Claim not Allowed): $9,700,000 - $13,500,000 Estimated Allowed Claims (if Genesis Claim Allowed): $9,700,000 - $23,780,205.40[3] **Impaired**	On one or more Plan Distribution Dates, each holder of an Allowed Class 4 Claim will receive a Pro Rata Share of the net proceeds of the Liquidation Trust Assets (other than the Health Care Claims Fund) after the payment of all Allowed Fee Claims, Administrative Claims, Priority Tax Claims, Other Priority Claims, and Non-Lender Secured Claims, and the payment of all costs and expenses of the Liquidation Trust, including costs of the Debtor Representative and the ASA Committee (as provided in Section 7.7 of the Joint Plan). **Estimated Recovery (if Genesis Claim not**

[3] The high estimate includes an assumption that Genesis has a valid claim in the full amount of its filed proof of claim.

	Allowed): 14.1% - 38.4% of Allowed Claims **Estimated Recovery (if Genesis Claim Allowed): 8.0% - 18.7% of Allowed Claims**
Class 5 – Allowed Genesis Claims Estimated Allowed Claims: $0 - $10,280,205.43[4] **Impaired**	To the extent that all or part of the Genesis Claims are determined by a Final Order to be a General Unsecured Claim, then to the extent Allowed, Genesis will receive the same treatment as holders of Class 4 General Unsecured Claims and the amount of the Allowed Genesis Claim will be included in the numerator and denominator in calculating the Pro Rata Shares of Allowed General Unsecured Claims holders and Allowed Genesis Claim Holders. To the extent the Genesis Claims are determined by a Final Order to not be an Allowed General Unsecured Claim, the Genesis Claims will be treated as set forth in such Final Order. **Estimated Recovery: 0% - 18.7% of Allowed Claims** **If not Allowed: 0%**

V. GENERAL INFORMATION

A. Overview of the Debtor's Business

The Debtor operated a general acute care not-for-profit hospital in Coshocton, Ohio. The hospital is located in eastern central Ohio between Columbus and Pittsburgh and is the only hospital within 25 miles. It had been serving the healthcare needs of the community for more than 100 years. The hospital was designated as a Sole Community Hospital and was licensed for 56 beds. In addition to the main hospital facility, the Debtor had a number of primary care and specialty physician clinics. As of the Petition Date, the Debtor had annual gross revenue of more than $50 million and employed more than 400 individuals.

B. Capital Structure

As of the Petition Date, the Debtor did not have a secured revolving credit line to support its business operations. Rather, it had secured obligations that arose from bond issuances in 1997 and 1999, and it had certain secured obligations that arose in connection with the acquisition of specific real property or equipment. As of the Petition Date, the Debtor was a party to the following secured loan obligations (collectively, the "Pre-Petition Loans"):

[4] The high estimate includes an assumption that Genesis has a valid claim in the full amount of its filed proof of claim.

(a) JP Morgan Chase (the bond obligations):

(i) The Debtor and JPMorgan Chase Bank, N.A., as successor by merger to BankOne, Coshocton NA and Bank One, Columbus, NA ("JPMC") entered into a Reimbursement Agreement dated as of March 27, 1997 (the "1997 Reimbursement Agreement"), pursuant to which JPMC issued a letter of credit for the account of the Debtor to support the County of Coshocton, Ohio Adjustable Rate Demand Hospital Facilities Revenue Bonds, Series 1997 (Coshocton Memorial Hospital Project) in the principal amount of $3,500,000, for the purpose of financing the acquisition, construction and equipping of certain of the Debtor's hospital facilities the ("1997 Bonds").

(ii) JPMC and the Debtor also entered into a Reimbursement Agreement dated as of November 18, 1999 (the "1999 Reimbursement Agreement, and with the 1997 Reimbursement Agreement, collectively, as amended, the "Reimbursement Agreements"), pursuant to which JPMC issued a letter of credit for the account of Debtor to support the County of Coshocton, Ohio Adjustable Rate Demand Hospital Facilities Revenue Bonds Series 1999 (Coshocton County Memorial Hospital Project) in the principal amount of $10,000,000, for the purpose of financing the acquisition, construction and equipping of additional hospital facilities of the Debtor (the "1999 Bonds").

(iii) In essence, the Debtor's primary secured obligations related to its 1997 Bonds and 1999 Bonds. However, because the letters of credit were issued by JPMC, the bondholders had no payment risk related to the Debtor and the economic party in interest (the Debtor's senior secured creditor) was JPMC. In connection with the Reimbursement Agreements and related documents, the Debtor's obligations to JPMC were secured by first priority liens and security interests in the Debtor's personal property and in certain real property (the main hospital building and the three main medical office buildings on the Debtor's main campus). As of the Petition Date, the Debtor owed JPMC approximately $3.1 million under the 1999 Reimbursement Agreement and approximately $260,000 under the 1997 Reimbursement Agreement. The Debtor and JPMC had entered into a forbearance arrangement prior to the filing under which JPMC agreed to forbear from exercising certain remedies related to defaults by the Debtor.

(b) Tetra Financial Group: The Debtor and TFG-Ohio, L.P. ("Tetra") were parties to a Master Lease Agreement dated as of July 14, 2011, and three lease schedules as subsequently amended and restated (collectively, the "TFG Agreements"). Tetra asserted a default under the TFG Agreements, sued the Debtor, and in August 2015 filed a financing statement against the Debtor's personal property pursuant to remedies under the TFG Leases. The Debtor and Tetra entered into a settlement pursuant to which the Debtor agreed to pay a total of $1,200,154.60 in full and final settlement of its obligations to Tetra payable as follows:

(a) $201,300.63 through application by Tetra of a security deposit it held; and (b) $998,853.97 in cash, payable at the latest upon the closing of an expected financing transaction. Tetra applied the security deposit prior to the bankruptcy filing. The Debtor was unable to close a financing transaction within the timeframe contemplated by the settlement agreement, and as a result Tetra and the Debtor entered into a forbearance agreement establishing a new payment schedule. As of the Petition Date, the Debtor owed Tetra approximately $814,000, which was secured by a second priority lien on the Debtor's personal property.[5]

(c) The Home Loan Savings Bank: The Debtor owed The Home Loan Savings Bank ("HLSB") approximately $62,000, which is secured by a first priority lien on the real property related to the Debtor's Pleasant Valley clinic.

(d) Amerisource Bergen Corporation: As of the Petition Date, the Debtor owed Amerisource Bergen Corporation ("Amerisource")[6] approximately $380,000, which was subject to a purchase money security interest on certain inventory acquired from Amerisource.

(e) Genesis Healthcare System: In 2012, the Debtor entered into a management agreement (the "Management Agreement") with Genesis Healthcare System ("Genesis") pursuant to which Genesis provided certain executive staff and handled certain management functions, among other things. In connection with the Management Agreement, Genesis provided an unsecured loan to the Debtor, under which the Debtor owed Genesis approximately $4 million. The Debtor's books, prepared while Genesis was managing the Debtor, also reflected approximately $4.2 million additionally owed to Genesis related to services rendered under various contracts or otherwise.[7]

(f) Other Obligations: As of the Petition Date, the Debtor had approximately $8 million in trade debt. In addition, the Debtor also owed certain obligations to medical providers on account of its self-insured healthcare plan for employees.

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[5] The claims asserted by Tetra are being challenged by the Committee in an adversary proceeding pending before the Bankruptcy Court. Further details regarding the claims asserted in that adversary proceeding are described in the "Litigation and Cause of Action" section of this Disclosure Statement. The descriptions of the Debtor's history and potential claims against Tetra, Tetra's claims against the Debtor, and the Committee's adversary proceeding against Tetra contained in this Disclosure Statement are the views of the Debtor alone, and nothing in this Disclosure Statement shall impair, limit, modify, or otherwise alter the claims, defenses, or other rights of, or otherwise bind, any party with respect to any claims by or against Tetra.

[6] JPMC, Tetra, HLSB and Amerisource are collectively referred to herein as the "Pre-Petition Lenders."

[7] A further description of the relationship and claims between the Debtor and Genesis is described in the "Litigation and Causes of Action" section of this Disclosure Statement. The descriptions of the Debtor's history and potential claims against Genesis, Genesis's claims against the Debtor, and the Committee's investigation of Genesis contained in the Disclosure Statement are the views of the Debtor alone, and nothing in this Disclosure statement shall impair, limit, modify, or otherwise alter the claims, defenses, or other rights of, or otherwise bind, any party with respect to any claims by or against Genesis.

C. Events Leading to Bankruptcy

The Debtor faced a number of significant challenges in the years leading to the filing of the Chapter 11 Case. Independent rural hospitals throughout the United States have been under tremendous pressure in recent years, leading to a national closure rate of approximately one rural hospital per month. There are numerous reasons for this national healthcare crisis, including the effects of healthcare reform, reduced Medicare reimbursement rates, increased competition, aggressive reimbursement policies by private insurers, and increases in patient bad debt. Rural hospitals often also face challenges in recruiting and retaining specialized talent based on their locations. This can also affect profitability, as patients will choose to travel for specialized care if it is not available locally.

The Debtor experienced these same pressures, which affected both its top line revenue and its profitability, and adopted various measures to respond to them. Unfortunately, these efforts were not sufficient to fully resolve the hospital's financial difficulties. Although financial results in the first half of 2016 were positive, the hospital did not generate enough cash to remain current with its vendors, provider claims under the Debtor's self-insured healthcare plan, and secured debt. Recognizing both the hospital's financial situation and the challenge of remaining an independent community hospital in today's environment, the hospital's Board of Trustees authorized, in 2015, the engagement of SOLIC Capital Advisors, LLC and SOLIC Capital, LLC (together, "SOLIC"). SOLIC was asked to begin a process to seek financing sufficient for the hospital to both restructure its balance sheet and conduct a market search for a strategic transaction to combine with a larger healthcare system while maintaining a quality full-service hospital in Coshocton. As a part of this process, SOLIC contacted numerous potential lenders, and the Debtor entered into term sheets and serious negotiation with two separate independent lenders. Ultimately, the Board accepted an offer from the Buyer to acquire the hospital's assets as a going concern through a chapter 11 process and provide debtor in possession financing necessary to implement the sale.

VI. THE CHAPTER 11 CASE

A. Filing of the Petitions and Debtor in Possession Status.

On June 30, 2016, the Debtor filed the Chapter 11 Case. Pursuant to sections 1101, 1107 and 1108 of the Bankruptcy Code, the Debtor operated its business and remained in possession of its property as a "debtor in possession" until the closing on the sale of their assets to the Buyer on October 31, 2016.

B. First Day Pleadings and Orders.

On or about the Petition Date, the Debtor filed the following motions with the Bankruptcy Court: motion for entry of an order authorizing the Debtor to obtain post-petition financing; motion establishing procedures for utility companies to request adequate assurance of payment; motion authorizing payment of employee wages; motion authorizing continued use of cash management system, bank accounts and business forms and waiving investment and deposit requirements; and a motion to extend the automatic stay to employees covered by the Debtor's self-insured healthcare plan. A hearing was held in the Bankruptcy Court on July 1, 2016, on the above-referenced motions and orders granting such motions were entered by the Bankruptcy Court shortly thereafter.

C. Employment of Professionals for the Debtor.

Pursuant to employment applications filed with the Bankruptcy Court and subsequent orders entered by the Bankruptcy Court, the Debtor employed the following professionals to assist them with the administration of the Chapter 11 Case: (i) McDonald Hopkins LLC as counsel; (ii) SOLIC as restructuring advisor and investment banker; and (iii) Garden City Group LLC as Claims Agent. All professionals retained by the Debtor have been, or will be, paid their allowed fees and expenses incurred on behalf of the Debtor pursuant to orders entered by the Bankruptcy Court.

D. Appointment of the Committee.

On July 8, 2016, the Office of the United States Trustee appointed the Committee, consisting of the following members: (i) Aramark Corporation; (ii) EmCare, Inc., (iii) Healthcare Financial Systems, Inc., and (iv) Sodexo Operations, LLC. The Committee employed the law firms of Sills Cummis & Gross P.C. and Hahn Loeser & Parks LLP to serve as its bankruptcy co-counsel. These professionals have been, or will be, paid their allowed fees and expenses incurred in the provision of their services to the Committee pursuant to Orders entered by the Bankruptcy Court.

E. DIP Financing.

On July 1, 2016, the Bankruptcy Court entered the Interim Order (I) Authorizing Debtor to Obtain Secured Postpetition Financing and Use of Cash Collateral; (II) Granting Adequate Protection; (III) Modifying the Automatic Stay; and (IV) Setting a Final Hearing, Docket No. 32, whereby the Buyer also served as the Debtor's post-bankruptcy lender to fund the case. A portion of those funds from the post-petition financing were used to pay off the Pre-Petition Loans of the Pre-Petition Lenders (excluding those of Amerisource).

On July 22, 2016, as a result of negotiations among the Debtor, the Committee and the Buyer, the Bankruptcy Court entered the Final Order (I) Authorizing Debtor to Obtain Secured Post-Petition Financing and Use of Cash Collateral; (II) Granting Adequate Protection; (III) Modifying the Automatic Stay; and (IV) Setting Final Hearing, Docket No. 91, under which the Bankruptcy Court authorized the Debtor to obtain post-petition financing from the Buyer consisting of a secured credit facility in the principal amount of up to $10,000,000 (the "DIP Facility") to be used to provide general working capital and liquidity, including the payment of professional fees and administrative expenses.

F. Exclusivity.

Pursuant to sections 1121(b) and (c)(3) of the Bankruptcy Code, the Debtor has a certain amount of time within which (a) to file a plan; and (b) to solicit acceptances of their timely filed Plan before other parties in interest are permitted to file plans. The Bankruptcy Court has entered three orders extending the Debtor's Exclusive Periods within which to file a plan and solicit acceptances thereto, the most recent deadlines are April 24, 2017, and June 26, 2017, respectively. Accordingly, no other party may file a plan during this time period.

G. Prepetition Claims Bar Date.

The Bankruptcy Court established the following bar dates: (i) November 18, 2016 as the deadline for each person or entity (other than governmental units, as defined in Section 101(27) of the Bankruptcy Code) to file proofs of claim for prepetition claims against the Debtor, including administrative claims arising under section 503(b)(9) of the Bankruptcy Code; and (ii) December 27, 2016 as the deadline for governmental units to file proofs of claim.

H. Administrative Claim Bar Date.

The Bankruptcy Court established January 20, 2017, as the bar date for filing Administrative Claims (excluding claims arising under section 503(b)(9) of the Bankruptcy Code).

I. Sale of the Debtor's Business to the Buyer.

On the Petition Date, the Debtor sought approval to sell substantially all of its assets to the Buyer and also sought approval of certain sale and bidding procedures related to the sale. On July 22, 2016, the Bankruptcy Court entered the Order: (A) Approving Sale and Bidding Procedures for Sale of Substantially All of the Debtor's Assets; (B) Authorizing and Scheduling an Auction; (C) Scheduling Hearing for Approval of the Sale of Assets Free and Clear of Liens and the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases to the Successful Bidder; (D) Approving Break-Up Fee and Expense Reimbursement; (E) Approving Procedures and Setting Deadlines for the Assumption and Assignment of Executory Contracts and Unexpired Leases, Including Cure Amounts Relating Thereto; (F) Approving Certain Deadlines and the Form, Manner and Sufficiency of Notice; and (G) Granting Related Relief, Docket No. 92 (the "Bidding Procedures Order").

The Bidding Procedures Order approved certain bidding procedures and established the criteria for submission of qualified bids for the Debtor's assets, set a timeline for such bidding process, and approved certain bid protections for the Buyer (who served as the stalking horse bidder). SOLIC engaged in a comprehensive marketing and sale process in an effort to solicit additional bids for substantially all of the Debtor's assets. On or about July 1, 2016, SOLIC sent out a "teaser" description of the Debtor's business along with a form of confidentiality agreement to 67 organizations that comprised regional and national hospital operations and healthcare concerns as well as numerous financial buyers and private equity groups. The group of healthcare entities included non-profit, for–profit and academic medical centers with operations in Ohio, the Midwest or nationally. Of those parties, 13 executed confidentiality agreements, reviewed a confidential information memorandum concerning the Debtor's business, and accessed the Debtor's virtual data room.

Competing bids for the Debtor's assets were due on September 19, 2016 (the "Bid Deadline"). However, other than the bid of the Buyer, no other bids were received by the Bid Deadline. On September 20, 2016, the Debtor filed the Notice of No Competing Bids and Cancellation of Auction, Docket No. 187, advising the Bankruptcy Court and parties in interest of the receipt of no competing bids by the Bid Deadline and the cancellation of the proposed auction.

On October 3, 2016, the Bankruptcy Court entered the Order (A) Authorizing the Sale of Substantially All of the Debtor's Assets Free and Clear of All Liens, Claims, Encumbrances and Interests; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (C) Granting Related Relief, Docket No. 207 (the "Sale Order"). The Sale Order authorized the sale of substantially all of the Debtor's assets to the Buyer pursuant to that certain Asset Sale Agreement, dated June 30, 2016, by and among the Debtor and the Buyer. On October 31, 2016, the Debtor closed on the sale of substantially all of its assets to the Buyer. As part of the closing, the Debtor also assumed and assigned several executory contracts and leases to the Buyer. Substantially all other executory contracts and leases not assigned to the Buyer were rejected by Bankruptcy Court order (Docket Nos. 287, 288, 289, 322).

J. Settlement with Amerisource.

One of the unresolved issues relating to the sale of the Debtor's assets was the treatment of the claims of Amerisource, who asserted fully secured liens in the amount of approximately $380,000 in certain of the Debtor's inventory. The Debtor and the Committee disputed the nature and priority of the liens asserted by Amerisource. As a result, the parties mutually worked out a resolution of Amerisource's claims whereby Amerisource received $335,000 and waived the balance of its claims. That resolution was approved by the Bankruptcy Court on February 16, 2017, Docket No. 354.

VII. LITIGATION AND POTENTIAL CAUSES OF ACTION

A. Estate Causes of Action.

The Joint Plan provides that the Liquidation Trust will retain and be authorized to pursue the Causes of Action (except Tort Claims, which will revest in the Debtor and the Debtor Representative will be authorized to pursue). The Liquidation Trustee will be authorized to prosecute all such claims on behalf of the Liquidation Trust, subsequent to the Effective Date, and will determine whether to bring, settle, release, compromise or enforce such claims in accordance with the Joint Plan and the Liquidation Trust Agreement. Tort Claims will be prosecuted, brought, settled, released, compromised or enforced in accordance with the Joint Plan by the Debtor Representative.

No Person may rely on the absence of a specific reference in the Joint Plan or this Disclosure Statement to any Cause of Action against them as any indication that the Debtor, the Liquidation Trust or another applicable party will not pursue any and all available Causes of Action against them. The Debtor, the Liquidation Trust, the Estate and the Debtor Representative expressly reserve all rights to prosecute any and all Causes of Action against any Person, except as otherwise provided in the Joint Plan. Unless any Causes of Action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Joint Plan or a Final Order, the Debtor, the Liquidation Trust and the Debtor Representative expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, will apply to such Causes of Action upon or after the confirmation or consummation of the Joint Plan. A further identification of potential Causes of Action are set forth and disclosed on Exhibit C hereto.

B. Pending Litigation.

As of the date hereof, the only material pending action is as follows: The Official Committee of Unsecured Creditors v. TFG-Ohio, L.P., Adv. Pro. 16-05051, before the Bankruptcy Court. The adversary proceeding was commenced on August 26, 2016, by the Committee against Tetra. The Committee has asserted claims for (i) declaratory judgment that Tetra was a secured creditor; (ii) determination of Tetra's secured claim; (iii) avoidance of a fraudulent transfer; and (iv) recovery of preferential transfers to Tetra that the Debtor made leading up to the Petition Date. In its answer, filed on September 29, 2016, Tetra denied all claims.

The Committee issued interrogatories and requests for production of documents to Tetra, and Tetra subpoenaed certain documents and testimony from a corporate representative of the Debtor. The Committee took the deposition of a corporate representative of Tetra on March 10, 2017. All non-expert discovery has been completed.

Both the Committee and Tetra have filed summary judgment motions. The Committee seeks summary judgment on Count II of the Complaint, which seeks a determination that Defendant's purported security interest in "all assets" of the Debtor under the TFG Lease documents between the Debtor and Tetra is enforceable only with respect to the subset of assets otherwise sufficiently described in the Tetra lease documents; and (ii) the interest of the Debtor and/or its estate in the Debtor's property is superior and/or senior to that of Tetra except with respect to the collateral described in the Tetra lease documents. Tetra moved for summary judgment on all counts of the Complaint. The Bankruptcy Court has yet to rule on either party's summary judgment motion. A trial date has not yet been set.

C. Genesis Investigation and Claims.

Genesis operates a hospital and other healthcare facilities in Zanesville, Ohio, approximately 30 miles south of the hospital formerly operated by the Debtor. The service area of Genesis's operations overlapped with that of the Debtor, which was a significantly smaller operation in terms of total revenue.

In 2012, the Debtor and Genesis entered into the Management Agreement, which provided Genesis with management control over the Debtor's operations. In addition, Genesis and/or affiliates of Genesis entered into at least 12 additional agreements with the Debtor (together with the Management Agreement, collectively, the "Genesis Agreements") identified on the Notice to Counterparties to Executory Contracts and Unexpired Leases That May Be Assumed and Assigned, Docket No. 123, including an Electronic Medical Record and Ancillary Technology Agreement, a Pharmacy Services Agreement, and a Laboratory Services Agreement. Pursuant to the Genesis Agreements, Genesis (i) provided the key executive personnel to manage the Debtor on a day-to-day basis (including a chief executive officer and chief financial officer);

(ii) acquired a seat on the Debtor's Board of Trustees, filled by Genesis's chief executive officer, Matthew Perry; (iii) was responsible for, among other things, strategic planning, financial management, physician recruiting, and facility management; and (iv) provided certain enumerated services (including information technology, pharmacy, and lab services), among other things.

Genesis also loaned working capital funds and advanced funds to vendors and/or service providers on behalf of the Debtor. In addition to principal and interest amounts allegedly owed by the Debtor under a loan agreement and a credit note, both dated August 21, 2012, Genesis asserts that the Debtor owes Genesis additional amounts, including late fees, under the Genesis Agreements. Genesis asserts a total unsecured claim in the amount of $9,829,665.91. This claim is the largest claim in the Chapter 11 Case and represents over 25% of the total claim pool reflected on the claims register maintained by the Claims Agent.

The Debtor was not successful under Genesis's management and the hospital's revenues fell significantly even as Genesis's revenues rose. The relationship between the Debtor and Genesis deteriorated in 2014 and 2015 and the Debtor retained independent counsel to advise it with respect to its restructuring options. In the fall of 2015, the Debtor suspended the Management Agreement, and Mr. Perry resigned from the Debtor's Board of Trustees. In 2016, the Management Agreement was terminated.

The Committee is now investigating what it believes are potentially significant claims against Genesis in this case, including potential claims of the Debtor. The Committee is currently conducting preliminary discovery under Bankruptcy Rule 2004 regarding the prepetition relationship between the Debtor and Genesis.

D. Preference Litigation.

Under the Bankruptcy Code, the Debtor or a representative of the Estate (including the Liquidation Trustee) has the right to prosecute any avoidance or recovery actions under sections 544, 545, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code against recipients of transfers made by the Debtor prior to the Petition Date. A more detailed description of such actions is more fully described on Exhibit C attached hereto.

VIII. THE CHAPTER 11 JOINT PLAN

As a result of the Chapter 11 Case and through the provisions of the Joint Plan, the Debtor submits that creditors will obtain a greater recovery under the Joint Plan than any recovery that would be available if the Debtor's Assets were liquidated under chapter 7 of the Bankruptcy Code. An analysis of recoveries to creditors under the Joint Plan versus chapter 7 (the "Liquidation Analysis") is annexed hereto as Schedule 1 and forms part of this Disclosure Statement. The summary of the Plan set forth below is qualified in its entirety by the more detailed provisions set forth in the Plan.

A. Treatment of Claims Against the Debtor.

The Classes of Claims against the Debtor will be treated under the Joint Plan as set forth below. The Debtor reserves the right to treat the Joint Plan as a motion for the equitable subordination of any creditor, subject to the presentation of supporting evidence at the Confirmation Hearing.

(a) Class l — Priority Non-Tax Claims.

Each holder of an Allowed Priority Non-Tax Claim against the Debtor will be unimpaired under the Joint Plan and will receive, in full satisfaction of its Priority Non-Tax Claim, Cash equal to the amount of such Allowed Priority Non-Tax Claim on the later of (a) the Plan Distribution Date or (b) the date on which such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, or as soon thereafter as is practicable.

(b) Class 2 — Non-Lender Secured Claims.

In the sole discretion of the Liquidation Trustee, each holder of an Allowed Non-Lender Secured Claim against the Debtor will be treated in one of the following ways (for the avoidance of doubt, holders of Allowed Non-Lender Secured Claims against the Debtor need not be treated in the same way as long as each is treated in one of the following ways): upon the later of thirty (30) days after (i) the Effective Date or (ii) the date on which Non-Lender Secured Claim becomes an Allowed Claim, or as soon thereafter as is practicable, each holder of an Allowed Other Secured Claim will receive: (a) the net proceeds of the sale of the property securing such Allowed Non-Lender Secured Claim, up to the Allowed amount of such Allowed Non-Lender Secured Claim; or (b) the return of property securing such Allowed Non-Lender Secured Claim; or (c) Cash equal to the value of the property securing such Allowed Non-Lender Secured Claim, up to the value of the Allowed Non-Lender Secured Claim; provided, however, if a Final Order has been entered prior to the Effective Date providing for treatment and distributions on account of an Allowed Non-Lender Secured Claim, the Allowed Non-Lender Secured Claim will be treated as set forth in such Final Order.

To the extent the collateral securing an Allowed Non-Lender Secured Claim has been or is sold pursuant to an Order of the Bankruptcy Court, the amount paid to the holder of such Allowed Non-Lender Secured Claim pursuant to the preceding paragraph will be net of the costs of sale of such collateral and otherwise subject to the rights of the Debtor or the Liquidation Trustee pursuant to section 506(c) of the Bankruptcy Code.

The failure of any party to object to any Non-Lender Secured Claim in the Chapter 11 Case will be without prejudice to the rights of the Debtor or the Liquidation Trustee to contest or otherwise defend against such Claim in the Bankruptcy Court when and if such Claim is sought to be enforced by the holder of such Claim.

(c) Class 3 — Health Care Claims.

Holders of Allowed Health Care Claims will be treated as follows. Each holder of a potentially allowable Health Care Claim will be provided a notice and a ballot by the Debtor providing them the option to "opt in" to treatment under this Class 3 or "opt out" of Class 3 and thereby automatically receive treatment under Class 4 as a General Unsecured Creditor. An election to not "opt in" to Class 3 will be deemed an election to be included in Class 4.

Each holder of a potentially allowable Health Care Claim who elects to "opt in" to treatment under Class 3 will be deemed to be granted an Allowed Health Care Claim of $10 solely for the purpose of voting to accept or reject the Joint Plan. The Allowed Health Care Claim of such holder for Plan Distribution purposes will be determined in accordance with the process set forth in Article VIII of the Joint Plan.

If such holder elects treatment under Class 3, such holder will receive a Pro Rata Share of the Health Care Claims Fund (after accounting for payment of the costs of reconciliation of the Class 3 Claims from the Health Care Claims Fund) based upon the Allowed amount of such holder's Health Care Claim. The process for reconciling Class 3 Claims is set forth in Article VIII of the Joint Plan, and parties electing to receive treatment under Class 3 will be given an opportunity to file a new Claim to be reconciled as set forth therein.

By electing treatment under Class 3, each holder of a Health Care Claim thereby (i) waives and releases (other than its treatment and recovery in Class 3) against the Debtor's former employees and their family members any and all claims whatsoever related in any way to the services that form the basis of such Provider's Health Care Claims, whether such claims were originally the primary obligations of the Debtor or such former employees or family members, and (ii) agrees to contact any credit reporting agency to which the holder has reported the failure to pay the Health Care Claims to have that information removed from the credit report.

If a holder of a Health Care Claim elects to opt out of Class 3 and thereby receives treatment under Class 4, such holder will not be allowed to file a new Claim and will be subject to the General Bar Date. Such holder will be treated as a General Unsecured Creditor (a) provided its Health Care Claim was scheduled as an undisputed, liquidated, non-contingent Claim or such holder timely filed a proof of claim in accordance with the General Bar Date; and (b) subject to the applicable Claims objection procedures.

(d) Class 4 — General Unsecured Claims Against the Debtor.

On one or more Plan Distribution Dates, each holder of an Allowed General Unsecured Claim will receive a Pro Rata Share of the net proceeds of the Liquidation Trust Assets (other than the Health Care Claims Fund) after the payment of all Allowed Fee Claims, Administrative Claims, Priority Tax Claims, Other Priority Claims, and Non-Lender Secured Claims, and the payment of all costs and expenses of the Liquidation Trust, including costs of the Debtor Representative and the ASA Committee (as provided in Section 7.7 of the Joint Plan).

(e) Class 5 — Genesis Claims.

To the extent that all or part of the Genesis Claims are determined by a Final Order to be a General Unsecured Claim, then to the extent Allowed, Genesis will receive the same treatment as holders of Class 4 General Unsecured Claims and the amount of the Allowed Genesis Claim will be included in the numerator and denominator in calculating the Pro Rata Shares of Allowed General Unsecured Claims holders and Allowed Genesis Claim Holders. To the extent the Genesis Claims are determined by a Final Order to not be an Allowed General Unsecured Claim, the Genesis Claims will be treated as set forth in such Final Order.

B. Sources of Cash for Plan Distributions.

All Cash necessary to make payments and Plan Distributions under the Joint Plan will be obtained from current Cash or the liquidation of Liquidation Trust Assets (including the proceeds of any Tort Claims and related Insurance Policies).

C. Establishment of Liquidation Trust.

On the Effective Date, the Liquidation Trust will be established pursuant to the Liquidation Trust Agreement for the purposes of administering the Liquidation Trust Assets and making all distributions to Liquidation Trust Beneficiaries as provided for under the Joint Plan. The Liquidation Trust Agreement will be substantially in the form provided in the Plan Documents.

The beneficial interests in the Liquidation Trust will not be certificated, unless otherwise provided in the Liquidation Trust Agreement. The issuance of any beneficial interests of the Liquidation Trust satisfies the requirements of section 1145 of the Bankruptcy Code and, therefore, such issuance is exempt from registration under the Securities Act of 1933, as amended, and any state or local law requiring registration.

D. Liquidation Trust Assets.

On the Effective Date, in accordance with section 1141 of the Bankruptcy Code, all of the Liquidation Trust Assets (except the Tort Claims and proceeds of related Insurance Policies, which will revert in the Debtor), as well as the rights, privileges (including but not limited to the attorney-client privilege), and powers of the Debtor and its Estate applicable to the Liquidation Trust Assets (except those applicable to the Tort Claims and proceeds of related Insurance Policies, which will be transferred to the Liquidation Trust upon the entry of a final judgment or settlement), will automatically vest in the Liquidation Trust, free and clear of all Claims for the benefit of the Liquidation Trust Beneficiaries. For the avoidance of doubt, (i) in no event will the term "Liquidation Trust Assets" be deemed to include any released claims against any Released Parties, and (ii) the Liquidation Trust will not have the right to assert any released claims against any Released Parties. Upon the transfer of Liquidation Trust Assets to the Liquidation Trust, the Liquidation Trust will succeed to all of the Debtor's and Estate's rights, title and interest in such Liquidation Trust Assets, and the Debtor will have no further interest in or with respect to such Liquidation Trust Assets.

Notwithstanding the foregoing, the Debtor reserves the right to modify the Joint Plan to exclude certain assets from transfer to the Liquidation Trust. The Confirmation Order will constitute a determination that the transfers of Assets to the Liquidation Trust are legal and valid and consistent with the laws of the State of Ohio.

All parties will execute any documents or other instruments necessary to cause title to the Assets to be transferred to the Liquidation Trust. The Assets will be held in trust for the benefit of all holders of Allowed Claims pursuant to the terms of the Joint Plan and Liquidation Trust Agreement.

The transfer of each of the Liquidation Trust Assets to the Liquidation Trust will be treated for U.S. federal income tax purposes as a transfer of the Liquidation Trust Assets to the Liquidation Trust Beneficiaries, who will immediately thereafter be deemed to have automatically transferred all such Assets to the Liquidation Trust.

E. Governance of Liquidation Trust.

The Liquidation Trust will be governed and administered by the Liquidation Trustee, as provided under the Joint Plan and the Liquidation Trust Agreement, subject to Section 7.6 of the Joint Plan.

F. Liquidation Trustee.

The Liquidation Trustee will be authorized to exercise and perform the rights, powers, and duties held by the Debtor and the Estate with respect to the Liquidation Trust Assets upon the establishment of the Liquidation Trust, including, without limitation, the authority under section 1123(b)(3) of the Bankruptcy Code, and will be deemed to be acting in the capacity of a bankruptcy trustee, receiver, liquidator, conservator, rehabilitator, creditors' committee or any similar official who has been appointed to take control of, supervise, manage or liquidate the Debtor and its Estate, to provide for the prosecution, settlement, adjustment, retention, and enforcement of the Liquidation Trust Assets. For the avoidance of doubt, the authority conferred upon the Liquidation Trustee pursuant to this Section 7.5 will be conferred upon the Debtor Representative with respect to any Assets that revest in the Debtor on the Effective Date until such Assets or proceeds thereof vest in the Liquidation Trust.

1. **Responsibilities of Liquidation Trustee.**

Except as otherwise set forth in the Joint Plan, the responsibilities of the Liquidation Trustee will include, but will not be limited to: (a) prosecuting through judgment and/or settling the Liquidation Trust Assets and any defense asserted by the Liquidation Trust in connection with any counterclaim or crossclaim asserted against the Liquidation Trust; (b) calculating and making distributions required under the Joint Plan to be made from the Liquidation Trust Assets; (c) filing all required tax returns, and paying obligations on behalf of the Liquidation Trust from the Liquidation Trust Assets; (d) otherwise administering the Liquidation Trust; (e) filing quarterly reports with the Bankruptcy Court with respect to the expenditures, receipts, and distributions of the Liquidation Trust; (f) paying from Liquidation Trust Assets the reasonable fees and costs of the Liquidation Trust, the Debtor Representative, and the ASA Committee (as provided in Section 7.7 of the Joint Plan); and (g) such other responsibilities as may be vested in the Liquidation Trustee pursuant to the Liquidation Trust Agreement, the Confirmation Order, or as may be necessary and proper to carry out the provisions of the Joint Plan relating to the Liquidation Trust.

The Liquidation Trustee will maintain good and sufficient books and records of account relating to the Liquidation Trust Assets, the management thereof, all transactions undertaken by the Liquidation Trustee, all expenses incurred by or on behalf of the Liquidation Trustee, and all distributions to Liquidation Trust Beneficiaries contemplated or effectuated under the Joint Plan. In addition, the Liquidation Trustee will maintain any of the Debtor's organizational or corporate record books, minute books and tax records not sold to the Buyer under the Asset Sale Agreement (the "Retained Records") until the dissolution of the Liquidation Trust, at which time the Retained Records may be disposed of in the Liquidation Trustee's discretion.

2. Authority and Powers of Liquidation Trustee.

The powers of the Liquidation Trustee are set forth in full in the Liquidation Trust Agreement and will include, among other things, the right, without any further notice or approval from the Bankruptcy Court, to: (a) sell, lease, license, abandon or otherwise dispose of all Liquidation Trust Assets subject to the terms of the Joint Plan; (b) invest the Liquidation Trust Assets in short term certificates of deposit, in banks or other savings institutions, or other temporary, liquid investments, such as treasury bills, and withdraw funds of the Liquidation Trust; (c) employ Persons to assist the Liquidation Trustee or the Debtor Representative in carrying out his duties under the Joint Plan and Liquidation Trust Agreement; (d) pay from the Liquidation Trust Assets all obligations of the Liquidation Trust and all costs and expenses of administering the Liquidation Trust and Liquidation Trust Assets, including fees and expenses of the Liquidation Trustee, the Debtor Representative, the ASA Committee (as provided in Section 7.7 of the Joint Plan), and Persons employed by the Liquidation Trustee, the Debtor Representative or the ASA Committee (as provided in Section 7.7 of the Joint Plan) in carrying out their duties under the Plan and Liquidation Trust Agreement, taxes, and other obligations of the Liquidation Trust; (e) implement the Plan, including by making distributions pursuant to the Joint Plan; (f) evaluate and determine strategy with respect to the Liquidation Trust Assets, and prosecute, compromise, release, abandon and/or settle or otherwise resolve any Liquidation Trust Assets, including any and all Avoidance Actions, Causes of Action, or other claims of the Debtor or its Estate except Tort Claims, which will revest in the Debtor; (g) liquidate any Liquidation Trust Assets and provide for distributions therefrom in accordance with the provisions of the Joint Plan; (h) otherwise administer the Liquidation Trust; (i) participate in any post-Effective Date motions to amend or modify the Joint Plan or the Liquidation Trust Agreement, or appeals from the Confirmation Order; (j) participate in actions to enforce or interpret the Joint Plan; (k) bind the Liquidation Trust; (l) continue any motions, defenses, or appeals initiated by the Committee (or by the Debtor other than with respect to Tort Claims) prior to the Effective Date; (m) exercise such other powers and authority as may be vested in or assumed by the Liquidation Trustee by any Final Order, or as may be necessary and proper to carry out the provisions of the Joint Plan relating to the Liquidation Trust; and (n) administer the closure of the Chapter 11 Case.

The authority of the Liquidation Trustee will commence as of the Effective Date and will remain and continue in full force and effect until all of the Assets have been liquidated in accordance with the Joint Plan, the funds in the Liquidation Trust have been completely distributed in accordance with the Joint Plan, including funds received from the Debtor Representative, all tax returns and any other required filings or reports have been filed with the appropriate state or federal regulatory authorities, and the Order closing the Chapter 11 Case is a Final Order.

3. **Liquidation Trustee as Successor in Interest to the Debtor and Committee.**

Except as to the Tort Claims, the Liquidation Trustee is the successor in interest to the Debtor and the Committee, and thus, after the Effective Date, to the extent the Joint Plan requires an action by the Debtor (and except as it relates to the Tort Claims), the action will be taken by the Liquidation Trustee on behalf of the Debtor or the Committee, as applicable.

4. **Retention of Professionals by Liquidation Trustee.**

As set forth in Section 7.5.2 of the Joint Plan and the Liquidation Trust Agreement, the Liquidation Trustee may, without notice and further order of the Bankruptcy Court, employ various Persons on behalf of the Liquidation Trust and Debtor Representative, including, but not limited to, attorneys, consultants and financial advisors, as needed to assist him/her in fulfilling his/her obligations under the Liquidation Trust Agreement and the Joint Plan, and on whatever fee arrangement he/she deems appropriate, including, without limitation, contingency fee arrangements. For the avoidance of doubt, the Liquidation Trustee may retain professionals who represented parties in interest in the Chapter 11 Case. Professionals engaged by the Liquidation Trustee will not be required to file applications with the Bankruptcy Court in order to receive compensation for services rendered and reimbursement of actual out-of-pocket expenses incurred. All such compensation and reimbursement will be paid from the Liquidation Trust with Liquidation Trust Assets.

5. **Compensation of Liquidation Trustee.**

In addition to reimbursement for actual out-of-pocket expenses incurred by the Liquidation Trustee, the Liquidation Trustee will be entitled to receive reasonable compensation for services rendered on behalf of the Liquidation Trust on terms to be set forth in the Liquidation Trust Agreement, without notice and further order of the Bankruptcy Court. All such compensation and reimbursement will be paid from the Liquidation Trust with Liquidation Trust Assets. Like terms will apply to the fees and expenses of the Debtor Representative.

G. Oversight Committee.

On the Effective Date, the Oversight Committee will be formed. The Oversight Committee will advise and assist the Liquidation Trustee in the implementation and administration of the Liquidation Trust pursuant to the Liquidation Trust Agreement and the Joint Plan. A list of the proposed members of the Oversight Committee, whose appointment will become effective as of the Effective Date of the Joint Plan, will be filed with the Bankruptcy Court as a Plan Document.

The Oversight Committee will consist of one or more Persons that are Liquidation Trust Beneficiaries. The Oversight Committee may also include such other Persons (including ex officio members) as may be requested by the Oversight Committee, which Person will have agreed to participate in the performance of the Oversight Committee's functions as set forth in the Joint Plan. The members of the Oversight Committee will serve without compensation, but may be reimbursed for reasonable expenses incurred in the performance of their duties as members of the Oversight Committee.

The Oversight Committee will have the functions, duties and rights provided in the Liquidation Trust Agreement. No other Liquidation Trust Beneficiary will have any consultation rights whatsoever with respect to the management and operation of the Liquidation Trust.

H. ASA Committee.

On the Effective Date, the ASA Committee will be formed. The role of the ASA Committee will be to monitor and enforce (at its option and in its discretion) the Buyer's post-closing obligations under the Asset Sale Agreement related to the continued operation of a full service hospital in Coshocton County, Ohio with certain lines of service, specifically the obligations of the Buyer under Sections 4.8, 4.9, 4.10, and 4.11 of the Asset Sale Agreement. The Liquidation Trustee will reserve the amount of $50,000 for this purpose to be used in the reasonable discretion of the ASA Committee, which may hire counsel to assist in its duties. The ASA Committee will be entitled to the same indemnification rights as the Liquidation Trustee. A list of the proposed members of the ASA Committee, whose appointment will become effective as of the Effective Date of the Joint Plan, will be filed with the Bankruptcy Court as a Plan Document. The members of the ASA Committee will serve without compensation, but may be reimbursed for reasonable expenses incurred in the performance of their duties as members of the ASA Committee subject to the reserve amount set forth in this Section 7.7. To the extent the reserve provided for in this Section 7.7, or any portion thereof, is not utilized, such reserve (or portion thereof) will be made available distribution from the Liquidation Trust in accordance with the provisions of the Joint Plan.

I. Releases by the Debtor.

Except as otherwise provided in the Joint Plan, as of the Effective Date, for good and valuable consideration, including the obligations of the Debtor under the Joint Plan and the contributions of the Released Parties to facilitate and implement the Joint Plan, on and after the Effective Date, the Released Parties are deemed released and discharged by the Debtor and its Estate from any and all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that the Debtor or its Estate would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Chapter 11 Case, the Joint Plan or this Disclosure Statement, the purchase, sale or rescission of the purchase or sale of any security of the Debtor, the subject matter of, or the transactions or events giving rise to, any Claim that is treated in the Joint Plan, the business or contractual arrangements between the Debtor and any Released Party, the restructuring of Claims before or during the Chapter 11 Case, the negotiation, formulation or preparation of the Joint Plan, the Liquidation Trust Agreement, the solicitation of votes with respect to the Joint Plan, or any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; except that nothing in this section will be construed to release any party or entity from willful misconduct, gross negligence, or intentional fraud as determined by a Final Order.

J. Releases by Creditors.

ON THE EFFECTIVE DATE, EXCEPT AS OTHERWISE PROVIDED HEREIN AND EXCEPT FOR THE RIGHT TO ENFORCE THE JOINT PLAN, ALL PERSONS WHO (I) (A) HAVE VOTED TO ACCEPT THE JOINT PLAN OR WHO ARE PRESUMED OR DEEMED TO HAVE VOTED TO ACCEPT THE JOINT PLAN UNDER SECTION 1126(F) OF THE BANKRUPTCY CODE, (B) ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE JOINT PLAN AND WHO VOTE TO REJECT THE JOINT PLAN OR ABSTAIN FROM VOTING, OR (C) ARE DEEMED TO HAVE ACCEPTED OR REJECTED THE PLAN UNDER SECTION 1126(G) OF THE BANKRUPTCY CODE, AND (II) DO NOT MARK THEIR BALLOTS AS OPTING OUT OR OTHERWISE OPT OUT OF THE RELEASES GRANTED UNDER THIS SECTION OR OPT OUT IN WRITING BY THE DEADLINE TO VOTE TO ACCEPT OR REJECT THE PLAN, AS APPLICABLE, WILL, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BE DEEMED TO FOREVER RELEASE, WAIVE AND DISCHARGE THE RELEASED PARTIES OF AND FROM ALL LIENS, CLAIMS, CAUSES OF ACTION, LIABILITIES, ENCUMBRANCES, SECURITY INTERESTS, INTERESTS OR CHARGES OF ANY NATURE OR DESCRIPTION WHATSOEVER RELATING TO THE DEBTOR, THE CHAPTER 11 CASE OR AFFECTING PROPERTY OF THE ESTATE, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, SCHEDULED OR UNSCHEDULED, CONTINGENT OR NOT CONTINGENT, UNLIQUIDATED OR FIXED, ADMITTED OR DISPUTED, MATURED OR UNMATURED, SENIOR OR SUBORDINATED, WHETHER ASSERTABLE DIRECTLY OR DERIVATIVELY BY, THROUGH, OR RELATED TO THE DEBTOR, AGAINST SUCCESSORS OR ASSIGNS OF THE DEBTOR AND THE INDIVIDUAL AND ENTITIES LISTED ABOVE, WHETHER AT LAW, IN EQUITY, OR OTHERWISE, BASED UPON ANY CONDITION, EVENT, ACT, OMISSION, OCCURRENCE, TRANSACTION, OR OTHER ACTIVITY, INACTIVITY, INSTRUMENT OR OTHER AGREEMENT OF ANY KIND OR NATURE OCCURRING, ARISING, OR EXISTING PRIOR TO THE EFFECTIVE DATE IN ANY WAY RELATING TO OR ARISING OUT OF, IN WHOLE OR IN PART, THE DEBTOR, THE CHAPTER 11 CASE, THE PURSUIT OF CONFIRMATION OF THE JOINT PLAN, THE NEGOTIATION AND CONSUMMATION OF THE SALE, THE CONSUMMATION OF THE JOINT PLAN, OR THE ADMINISTRATION OF THE JOINT PLAN, INCLUDING, WITHOUT LIMITATION, THE NEGOTIATION AND SOLICITATION OF THE JOINT PLAN, ALL REGARDLESS OF WHETHER (A) A PROOF OF CLAIM HAS BEEN FILED OR IS DEEMED TO HAVE BEEN FILED, (B) SUCH CLAIM IS ALLOWED, OR (C) THE HOLDER OF SUCH CLAIM HAS VOTED TO ACCEPT OR REJECT THE JOINT PLAN, EXCEPT FOR WILLFUL MISCONDUCT, GROSS NEGLIGENCE, OR INTENTIONAL FRAUD. FOR THE AVOIDANCE OF DOUBT, NOTHING CONTAINED IN THIS PARAGRAPH WILL IMPACT THE RIGHT OF ANY HOLDER OF AN ALLOWED CLAIM TO RECEIVE A DISTRIBUTION ON ACCOUNT OF ITS ALLOWED CLAIM IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE JOINT PLAN.

K. Injunction.

FROM AND AFTER THE EFFECTIVE DATE, TO THE EXTENT OF THE RELEASES AND EXCULPATIONS GRANTED IN THE JOINT PLAN, ALL PARTIES WILL BE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER AGAINST THE RELEASED PARTIES AND THE EXCULPATED PARTIES, AS APPLICABLE, AND THEIR RESPECTIVE ASSETS AND PROPERTIES, ANY SUIT, ACTION, OR OTHER PROCEEDING, ON ACCOUNT OF OR RESPECTING ANY CLAIM, DEMAND, LIABILITY, OBLIGATION, DEBT, RIGHT, CAUSE OF ACTION, INTEREST, OR REMEDY RELEASED OR TO BE RELEASED PURSUANT TO THE JOINT PLAN.

L. Exculpation.

No Exculpated Party will have or incur, and, each Exculpated Party is hereby released and exculpated from any claim, obligation, Cause of Action or liability for any claim in connection with or arising out of, the administration of the Chapter 11 Case, the entry into the DIP Documents and the DIP Facility, entry into the Liquidation Trust Agreement, the Debtor's entry into the Asset Sale Agreement during the Chapter 11 Case, the consummation of any transactions contemplated therein, the negotiation and pursuit of the Joint Plan, or the solicitation of votes for, or confirmation of, the Joint Plan, the funding of the Plan, the consummation of the Joint Plan, or the administration of the Joint Plan or the property to be distributed under the Joint Plan, and the issuance of securities under or in connection with the Joint Plan or the transactions contemplated by the foregoing, except for willful misconduct, gross negligence, or intentional fraud as finally determined by the Bankruptcy Court, but in all respects such Exculpated Party will be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities pursuant to the Joint Plan. The Exculpated Parties have participated in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distribution of any securities pursuant to the Joint Plan, and are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Joint Plan or such distributions made pursuant to the Joint Plan, including the issuance of securities thereunder. For the avoidance of doubt, nothing in Section 9.5 of the Joint Plan will operate to exculpate or release any Exculpated Party from any claim, obligation, Cause of Action or liability that is released pursuant to Sections 9.2 and/or 9.3 of the Plan or enjoined pursuant to Section 9.4 of the Joint Plan, unless such Exculpated Party is a Released Party.

M. Limitation on Liability of Liquidation Trustee, Debtor Representative, Oversight Committee and ASA Committee.

None of the Liquidation Trustee, the Debtor Representative, the Oversight Committee or the ASA Committee members will be liable for any act he may do or omit to do as Liquidation Trustee or Debtor Representative or Oversight Committee member or ASA Committee member under the Joint Plan and the Liquidation Trust Agreement, as applicable, while acting in good faith and in the exercise of his or their reasonable business judgment; nor will the Liquidation Trustee, the Debtor Representative, any Oversight Committee member, or any ASA Committee member be liable in any event except to the extent of any losses which are finally judicially determined to have resulted primarily and directly from their willful misconduct, gross negligence, or intentional fraud. The foregoing limitation on liability will also apply to any Person (including any professional) employed by the Liquidation Trustee (including on behalf of the Debtor Representative, the Oversight Committee or the ASA Committee) and acting on behalf of the Liquidation Trustee, the Debtor Representative, the Oversight Committee or the ASA Committee in the fulfillment of their respective duties hereunder or under the Liquidation Trust Agreement.

IX. CONFIRMATION AND CONSUMMATION PROCEDURES

A. Overview

Upon the confirmation of a chapter 11 plan, it becomes binding on the debtor and all of its creditors and equity holders, and the obligations owed by the debtor to such parties are compromised and exchanged for the obligations specified in the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare and file a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. **This Disclosure Statement is presented to holders of impaired Claims against the Debtor to satisfy the requirements of section 1125 of the Bankruptcy Code in connection with the Debtor's solicitation of votes on the Joint Plan.**

If all classes of claims accept a chapter 11 plan, the bankruptcy court may confirm the plan if the bankruptcy court independently determines that the requirements of section 1129(a) of the Bankruptcy Code have been satisfied. Section 1129(a) sets forth the requirements for confirmation of a plan and, among other things, requires that a plan meet the "best interests of creditors" test and be "feasible." The "best interests of creditors" test generally requires that the value of the consideration to be distributed to the holders of claims or equity interests under a plan may not be less than those parties would receive if the debtor were liquidated pursuant to a hypothetical liquidation occurring under chapter 7 of the Bankruptcy Code. Under the "feasibility" requirement, the bankruptcy court generally must find that there is a reasonable probability that the debtor will be able to meet its obligations under its plan without the need for further financial reorganization. **The Debtor believes that the Joint Plan satisfies all applicable requirements of section 1129(a) of the Bankruptcy Code, including, in particular, the best interests of creditors' test and the feasibility requirement.**

The Bankruptcy Code does not require that each holder of a claim or interest in a particular class vote in favor of a chapter 11 plan for the bankruptcy court to determine that the class has accepted the plan. Rather, a class of creditors will be determined to have accepted the plan if the bankruptcy court determines that the plan has been accepted by a majority in number and two-thirds in amount of those claims actually voting in such class.

In addition, classes that are not "impaired" under a chapter 11 plan are conclusively presumed to have accepted the plan and thus are not entitled to vote. Furthermore, classes that are to receive no distribution under the plan are conclusively deemed to have rejected the plan. Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims or equity interests in an impaired class. A class is "impaired" if the legal, equitable or contractual rights associated with the claims or equity interests of that class are modified in any way under the plan. Modification for purposes of determining impairment, however, does not include curing defaults and reinstating maturity on the effective date of the plan. Classes 1 and 2 are not impaired under the Joint Plan, and the holders of Claims in such classes are conclusively presumed to have accepted the Joint Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Joint Plan. **Classes 3, 4 and 5 are impaired under the Joint Plan, and the holders of Claims in such classes are entitled to vote to accept or reject the Joint Plan.**

A bankruptcy court also may confirm a chapter 11 plan even though fewer than all of the classes of impaired claims accept such plan. For a chapter 11 plan to be confirmed despite its rejection by an impaired class, the plan must be accepted by at least one class of impaired claims (determined without counting the vote of insiders) and the proponent of the plan must show, among other things, that the plan does not "discriminate unfairly" and that the plan is "fair and equitable" with respect to each impaired class of claims or equity interests that has not accepted the plan.

Under section 1129(b) of the Bankruptcy Code, a plan is "fair and equitable" as to a rejecting class if, among other things, the plan provides: (a) with respect to secured claims, that each such holder will receive or retain on account of its claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; and (b) with respect to unsecured claims and equity interests, that the holder of any claim or equity interest that is junior to the claims or equity interests of such class will not receive or retain on account of such junior claim or equity interest any property from the estate, unless the senior class receives property having a value equal to the full amount of its allowed claim.

A plan does not "discriminate unfairly" against a rejecting class of claims (a) the relative value of the recovery of such class under the plan does not differ materially from that of any class (or classes) of similarly situated claims or equity interests, and (b) no senior class of claims or equity interests is to receive more than 100% of the amount of the claims or equity interest in such class.

The Joint Plan has been structured so that it will satisfy the foregoing requirements as to any rejecting classes of Claims.[8]

B. Confirmation of the Joint Plan

1. Elements of Section 1129 of the Bankruptcy Code

At the Confirmation Hearing, the Bankruptcy Court will confirm the Joint Plan only if all of the conditions to confirmation under section 1129 of the Bankruptcy Code are satisfied.

Such conditions include the following:

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[8] Although the requirements of section 1129(b) of the Bankruptcy Code reference both claims and equity interests, the Debtor, as a non-profit corporation, does not have any holders of equity interests.

a. The Joint Plan complies with the applicable provisions of the Bankruptcy Code.

b. The Debtor has complied with the applicable provisions of the Bankruptcy Code.

c. The Joint Plan has been proposed in good faith and not by any means proscribed by law.

d. Any payment made or promised by the Debtor or by a person issuing securities or acquiring property under the Joint Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Joint Plan and incident to the Chapter 11 Case, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.

e. The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Joint Plan, as a director, officer or voting trustee of the Debtor or a successor to the Debtor under the Joint Plan and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and with public policy, and the Debtor has disclosed the identity of any insider that will be employed or retained by the Debtor, and the nature of any compensation for such insider.

f. With respect to each impaired class of Claims, each holder of an impaired Claim either has accepted the Joint Plan or will receive or retain under the Joint Plan, on account of the Claims held by such entity, property of a value, as of the Effective Date, that is not less than the amount that such entity would receive or retain if the Debtor was liquidated on such date under chapter 7 of the Bankruptcy Code.

g. In the event that the Debtor does not seek to confirm the Joint Plan non-consensually, each class of Claims entitled to vote has either accepted the Joint Plan or is not impaired under the Joint Plan.

h. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Joint Plan provides that Administrative Claims and Priority Claims will be paid in full.

i. At least one impaired class of Claims has accepted the Joint Plan, determined without including any acceptance of the Joint Plan by any insider holding a Claim in such class.

j. Confirmation of the Joint Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any other successor to the Debtor under the Joint Plan, unless such liquidation or reorganization is proposed in the Joint Plan.

k. All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Joint Plan provides for the payment of all such fees on the Effective Date of the Joint Plan.

The Debtor believes that the Joint Plan (i) satisfies all the statutory provisions of chapter 11 of the Bankruptcy Code; (ii) complies or will comply with all of the provisions of the Bankruptcy Code; (iii) is being proposed and submitted to the Bankruptcy Court in good faith.

2. **Acceptance**

A class of Claims will have accepted the Joint Plan if the Joint Plan is accepted, with reference to a class of Claims, by at least two-thirds in amount and more than one-half in number of the Allowed Claims of each such class of Claims actually voting.

3. **Best Interests of Creditors Test**

With respect to each impaired class of holders of Claims, confirmation of the Joint Plan requires that each such holder either (a) accept the Joint Plan or (b) receive or retain under the Joint Plan property of a value, as of the applicable consummation date under the Joint Plan, that is not less than the value such holder would receive or retain if the Debtor was liquidated under chapter 7 of the Bankruptcy Code.

To determine what holders of Claims of each impaired class would receive if the Debtor was liquidated, the Bankruptcy Court must determine the proceeds that would be generated from the liquidation of the properties and interests in property of the Debtor in a chapter 7 liquidation case. The proceeds that would be available for satisfaction of impaired Claims against in the Debtor would consist of the proceeds generated by disposition of the unencumbered equity in the properties and interests in property of the Debtor and the cash held by the Debtor at the time of the commencement of the liquidation case. Such proceeds would be reduced by the costs and expenses of the liquidation and by such additional administration and priority claims that may result from the use of chapter 7 for the purposes of liquidation.

The costs of liquidation under chapter 7 of the Bankruptcy Code would include the fees payable to a trustee in bankruptcy, and the fees that would be payable to additional attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the Debtor during the Chapter 11 Case, such as compensation for attorneys, financial advisors, accountants and costs that are allowed in a chapter 7 case. While the Liquidation Trustee and its counsel have the background and familiarity with the potential Causes of Action and any remaining assets to be liquidated to realize the most money for the costs to be incurred to complete the process, a chapter 7 trustee and the persons it employs would need time to develop the necessary industry and debtor specific knowledge necessary to assist the chapter 7 trustee examine and distribute the Debtor's assets. A chapter 7 case would also not be able to address efficiently the unique issues presented by the presence of the Health Care Claims. A chapter 7 trustee would have little background into the mechanics of how the Debtor's self-insured health insurance worked and the manner in which the Debtor processed and paid such Claims. Rather, the Joint Plan establishes a reasonable mechanism for administering the Health Care Claims while at the same time providing certainty to the Debtor's former employees that such Claims will be adequately addressed. Importantly, the costs of determining the validity and amount of the Health Care Claims in a chapter 7 case would materially impact the amounts available for distribution.

The foregoing types of Claims and such other Claims which may arise in the liquidation cases or result from the pending Chapter 11 Case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay impaired Claims arising on or after the chapter 7. In addition to the foregoing, it is expected that a liquidation of remaining assets under chapter 7 of the Bankruptcy Code would yield less value due to the expeditious liquidation as required by chapter 7 than they are expected to yield under the Joint Plan before the Petition Date.

The Liquidation Analysis, attached hereto as Schedule 1, demonstrates that the Joint Plan provides a better recovery for all creditors than what such same parties would receive in a chapter 7 liquidation. For example, in chapter 7, Class 3, Class 4 and Class 5 Claims (excluding any prospect of disallowance a result of litigation) would all be treated together in one pool as General Unsecured Claims. In that scenario, the total amount Health Care Claims would likely be approximately $5,083,961.79 million (which is an amount closer to the gross amount of such claims as a result of a lack of a chapter 7 trustee's ability to process such claims). In addition, there is a question of law as to whether the $1.6 million prepetition transfer to MedBen constitutes an irrevocable transfer or an avoidable transfer. The uncertainty and cost of such litigation does not guarantee that the full amount of those funds would be available for creditors in a chapter 7. When the claims pool is collapsed together in chapter 7 (with or without the inclusion of the Genesis Claims depending on the result of any litigation), the General Unsecured Claims pool in a chapter 7 would be between $14,783,000 and $27,263,205.40 million. Based on the proposed assets available for distribution (and discounting a recovery of the $1.6 million), the resulting recovery for General Unsecured Creditors in a chapter 7 would be between 4.3% - 31.0%.

Alternatively, the Liquidation Analysis demonstrates that holders of Class 3 Claims and Class 4 Claims each do better under the Joint Plan. For Class 3 Claims, the Debtor, the Committee and MedBen have agreed to compromise and settle the $1.6 million prepetition transfer as part of the consideration for the Joint Plan as follows: $400,000 will be returned and be available to the Estate while the remaining $1.2 million will fund the Health Care Claims Fund. Based on the Debtor's analysis of the pool of Health Care Claims the Debtor anticipates that, after a proper processing of such Claims, holders of Health Care Claims will recover between 40% and 60% and such holders will be satisfied solely out of the Health Care Claims Fund. As a result, the remaining assets in the Liquidation Trust Assets are projected to be between approximately $1,904,887.57 and $3,728,587.12, which will be available for holders of Class 4 Claims. Because the bulk of the Health Care Claims will not be included in Class 4, the Debtor anticipates that holders of Class 4 Claims will recover between 14.1% and 38.4% under the Joint Plan if the Genesis Claim is not an Allowed Claim, or between 8.0% and 18.7% if the Genesis Claim is an Allowed Claim.

To determine if the Joint Plan is in the best interests of each impaired class, the present value of the distributions from the proceeds of the liquidation of the properties and interests in property of the Debtor (net of the amounts attributable to the aforesaid claims) is then compared with the present value offered to such classes of Claims under the Joint Plan.

After consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in the Chapter 11 Case, including (i) the additional costs associated with the appointment of the chapter 7 trustee and (ii) the erosion in value of assets in a chapter 7 case, including the lack of institutional familiarity with the investigation of Genesis; and (iii) the specific treatment of Health Care Claims under the Joint Plan, the Debtor has determined that confirmation of the Joint Plan will provide each holder of an impaired Claim with a greater recovery than it would receive pursuant to liquidation of the Debtor under chapter 7 of the Bankruptcy Code.

4. **Feasibility**

The Bankruptcy Code conditions confirmation of a chapter 11 plan on, among other things, a finding that it is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor. For purposes of determining whether the Joint Plan satisfies this condition, the Debtor has analyzed the Liquidation Trustee's capacity to service its obligations under the Plan. Based upon its analysis, the Debtor submits that the Liquidation Trustee will be able to make all payments required to be made under the Joint Plan.

C. Cramdown

In the event that any impaired class does not accept the Joint Plan, the Debtor nevertheless may move for confirmation of the Plan. To obtain such confirmation, it must be demonstrated to the Bankruptcy Court that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such classes and any other classes of Claims that vote to reject the Joint Plan.

1. **No Unfair Discrimination**

A chapter 11 plan "does not discriminate unfairly" if (a) the legal rights of a non-accepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the non-accepting class, and (b) no class receives payments in excess of that which it is legally entitled to receive for its Claims. The Debtor believes that under the Joint Plan all impaired classes of Claims are treated in a manner that is consistent with the treatment of other classes of Claims that are similarly situated, if any, and no class of Claims will receive payments or property with an aggregate value greater than the aggregate value of the Allowed Claims in such class. For example, while the Claims in Classes 3, 4 and 5 are all unsecured in nature, there are legitimate reasons for separately classifying similar claims since such classifications are based on legal or factual distinctions. Notably, even though Claims in Class 3 and Class 5 are separately classified, there is still a mechanism (based on various circumstances) in the Joint Plan that allows holders in each to be treated as though they are in Class 4. Accordingly, the Debtor believes the Joint Plan does not discriminate unfairly as to any impaired class of Claims.

2. **Fair and Equitable Test**

The Bankruptcy Code establishes different "fair and equitable" tests for classes of secured claims, unsecured claims as follows:

(a) ***Secured Claims***. Either (i) each holder of a claim in an impaired class of secured claims retains its liens securing its secured claim and it receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) each holder of a claim in an impaired class of secured claims realizes the indubitable equivalent of its allowed secured claim or (iii) the property securing the claim is sold free and clear of liens, with such liens to attach to the proceeds and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph.

(b) ***Unsecured Claims***. Either (i) each holder of a claim in an impaired class of unsecured claims receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value.

(c) ***Equity Interests***. Either (i) each holder of an equity interest in an impaired class of interests will receive or retain under the chapter 11 plan property of a value equal to the greater of (A) the fixed liquidation preference or redemption price, if any, of such stock or (B) the value of the stock or (ii) the holders of interests that are junior to the stock will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value. This section is not applicable to the Chapter 11 Case.

D. Effect of Confirmation

Under section 1141 of the Bankruptcy Code, the provisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor or equity security holder, whether or not the claim or interest of such creditor or equity security holder is impaired under the plan and whether or not such creditor or equity security holder voted to accept the plan. Further, after confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors and equity security holders, except as otherwise provided in the plan or the confirmation order.

X. TAX ISSUES

For federal income tax purposes, (i) all parties (including, without limitation, the Debtor, the Liquidation Trustee, and the Liquidation Trust Beneficiaries) will treat the Liquidation Trust as a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d) and IRS Revenue Procedure 94-45, 1994-2 C.B. 684, (ii) the transfer of Assets of the Debtor to the Liquidation Trust under the Joint Plan will be treated as a deemed transfer to the Liquidation

Trust Beneficiaries in satisfaction of their Claims followed by a deemed transfer of the Assets by the Liquidation Trust Beneficiaries to the Liquidation Trust, (iii) the Liquidation Trust Beneficiaries will be deemed to be the grantors and owners of the Liquidation Trust and its assets, and (iv) the Liquidation Trust will be taxed as a grantor trust within the meaning of sections 671-677 of the Internal Revenue Code owned by the Liquidation Trust Beneficiaries. The Liquidation Trust will file federal income tax returns as a grantor trust under Internal Revenue Code section 671 and Treasury Regulation section 1.671-4 and report, but not pay tax on, the Liquidation Trust's tax items of income, gain, loss deductions and credits ("Tax Items"). The Liquidation Trust Beneficiaries will report such Tax Items on their federal income tax returns and pay any resulting federal income tax liability. All parties will use consistent valuations of the Assets transferred to the Liquidation Trust for all federal income tax purposes. The Assets will be valued based on the Liquidation Trustee's good faith determination of their fair market value.

The Liquidation Trustee may, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), (i) make an election pursuant to Treasury Regulation section 1.468B-9 to treat the LT Reserve(s) as a "disputed ownership fund" within the meaning of that section, (ii) allocate taxable income or loss to the LT Reserve(s), with respect to any given taxable year (but only for the portion of the taxable year with respect to which such Claims are Disputed Claims), and (iii) distribute assets from the LT Reserve(s) as, when, and to the extent, such Disputed Claims either become Allowed or are otherwise resolved. The Liquidation Trust Beneficiaries will be bound by such election, if made by the Liquidation Trustee, in consultation with the Oversight Committee, and as such will, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), report consistently therewith.

For federal and applicable state income tax purposes, all parties (including, without limitation, the Debtor, the Liquidation Trustee, and the Liquidation Trust Beneficiaries) will treat the transfers of Assets to the Liquidation Trust in accordance with the terms of the Joint Plan as a sale by the Debtor and/or its Estate of such Assets to the Liquidation Trust at a selling price equal to the fair market value of such Assets on the date of transfer. The Liquidation Trust will be treated as the owner of all Assets that it holds.

In connection with the Joint Plan, the Debtor and the Liquidation Trustee, as applicable, will comply with all withholding and reporting requirements imposed by federal, state, local and foreign taxing authorities and all Plan Distributions hereunder will be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a Plan Distribution will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any government unit, including income, withholding and other tax obligations, on account of such Plan Distribution. The Liquidation Trustee has the right to withhold a Plan Distribution until such holder has made arrangements satisfactory to the Liquidation Trustee for payment of any such tax obligations. The Liquidation Trustee has the right to withhold a Plan distribution until the holder of the Claim upon which distribution is to be made provides the Liquidation Trustee with IRS Form W-9 and any other information determined by the Liquidation Trustee to be necessary or appropriate to effect information reporting and the withholding of taxes. If the Liquidation Trustee has not received IRS

Form W-9 or other requested tax reporting information from the holder of a Claim before the relevant Plan Distribution Date, any property or Cash to be distributed pursuant to the Joint Plan will, pending receipt of IRS Form W-9 or such other requested information, be treated as an unclaimed distribution under the Joint Plan, as set forth in Section 10.3.2. of the Joint Plan.

THE FOREGOING HAS BEEN PROVIDED FOR INFORMATIONAL PURPOSES ONLY. ALL HOLDERS OF ALLOWED CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL OR FOREIGN TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE JOINT PLAN.

XI. RISK FACTORS

There are many risks and uncertainties in respect of the Joint Plan and its implementation. The holders of Claims against in the Debtor should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement, before deciding whether to vote to accept or reject the Joint Plan. The risk factors identified below they should not be regarded as the only risks present in connection with the Debtor's business or the Joint Plan and its implementation.

A. Certain Bankruptcy Considerations

1. Parties in Interest May Object to the Joint Plan's Classification of Claims

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtor believes that the classification of Claims against in the Debtor under the Joint Plan complies with the requirements set forth in the Bankruptcy Code because the Debtor created Classes of Claims, each encompassing Claims that are substantially similar to the other Claims in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. Failure to Satisfy Vote Requirements

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Joint Plan, the Debtor intends to seek, as promptly as practicable thereafter, confirmation of the Plan. In the event that sufficient votes are not received, the Debtor may seek to confirm an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the holders of Allowed Claims as those proposed in the Joint Plan.

3. The Debtor May Not Be Able Secure Confirmation or Consummation of the Joint Plan

The Joint Plan requires the acceptance of a requisite number of holders of Claims that are entitled to vote on the Joint Plan, and the approval of the Bankruptcy Court, as described in the section of this Disclosure Statement entitled "Confirmation and Consummation Procedures – Overview." There can be no assurance that such acceptances and approvals will be obtained and therefore, that the Joint Plan will be confirmed. In addition, confirmation of the Joint Plan and the occurrence of the Effective Date of the Joint Plan are subject to the satisfaction of certain conditions precedent. Although the Debtor believes that the conditions precedent to the confirmation of the Plan and to the occurrence of the Effective Date of the Joint Plan will be met, there can be no assurance that all such conditions precedent will be satisfied. If any condition precedent is not satisfied or waived pursuant to the Joint Plan, the Joint Plan may not be confirmed or the Effective Date may not occur.

Furthermore, although the Debtor believes that the Plan will be confirmed and the Effective Date will occur reasonably soon after the Confirmation Date, there can be no assurance as to the timing or as to whether the Effective Date will occur. Moreover, and notwithstanding the foregoing or anything in the Joint Plan to the contrary, the Debtor has reserved its rights pursuant to the Joint Plan to delay the occurrence of the Effective Date with respect to the Debtor's Estate to a later date. If the Joint Plan is not confirmed or the Effective Date does not occur, there can be no assurance that any alternative chapter 11 plan would be on terms as favorable to the holders of Claims as the terms of the Joint Plan. In addition, if protracted litigation over confirmation were to occur, there is a substantial risk that holders of Claims would receive less than they would receive under the Joint Plan. The Liquidation Analysis prepared by the Debtor with the assistance of its advisors is attached hereto as Schedule 1.

If the Joint Plan is not confirmed and does not go effective for any reason and the Debtor or some other party in interest decide to prosecute a different plan, recoveries to holders of Claims against the Debtor may be negatively impacted. If the Joint Plan is confirmed but the Effective Date does not occur, it may become necessary to amend the Joint Plan to provide for alternative treatment of Claims. There can be no assurance that any such alternative treatment would be on terms as favorable to the holders of Claims as the treatment provided under the Joint Plan. If any modifications to the Joint Plan are materially adverse to any holders of Claims, it would be necessary to resolicit votes from holders of such Claims, which would, at the very least, further delay confirmation and consummation of the Joint Plan, and could jeopardize the consummation of the Joint Plan.

4. Actual Plan Distributions May Be Less than Estimated for the Purposes of this Disclosure Statement

The Debtor projects that the Claims asserted against the Debtor will be resolved in and reduced to an amount that approximates the estimates set forth herein. However, there can be no assurance that these estimates will prove accurate. In the event the allowed amounts of such Claims are materially higher than the projected estimates, actual distributions to holders of Allowed Claims could be materially less than estimated herein.

5. Claim Objections and Reconciliations

The recovery for Class 4 depends on, among other things, the outcome of (i) the Claims reconciliation and objection process; (ii) the process for reconciling Health Care Claims; (iii) the result and recovery of any Causes of Action. Therefore, the distribution to General Unsecured Creditors may increase or decrease depending on the resolution of the outstanding Claims.

6. Recoveries from Causes of Actions

Causes of Acton will be transferred to the Liquidation Trust as of the Effective Date of the Joint Plan. The Debtor expects that the Liquidating Trustee will conduct a thorough investigation of the Causes of Action and will make a determination whether filing any Causes of Action will yield a material economic benefit to Unsecured Creditors. It is impossible at this time to determine whether new Causes of Actions will be commenced and to predict the recoveries, if any, from such actions

7. Other Unliquidated Assets

Depending on the timing of the Effective Date, it is possible that the Liquidation Trust will receive other unliquidated Assets. It is impossible at this time to determine the value of these unliquidated Assets, which, if received, would affect the ultimate recovery to Unsecured Creditors.

8. Litigation

As described above in Section VII hereof, the Committee is currently engaged in litigation with Tetra. After the Effective Date, the Liquidating Trustee would take over that litigation on behalf of the Estate. Litigation is inherently unpredictable, and it is impossible at this time to determine the outcome of the adversary proceeding against Tetra. These outcomes could have a material effect on the ultimate recovery to Holders of Allowed General Unsecured Claims. The attendant delay also could delay final distributions to Holders of Allowed General Unsecured Claims.

As further described in Section VIII hereof, the Committee is currently investigating the validity and legitimacy of potential claims against the Genesis. In the event actionable claims exist, the Committee will then determine if the pursuit of same will result in a material recovery and benefit the Debtor's estate and all parties. If such determination is made after the Effective Date, the Liquidation Trustee will commence/take over that litigation. Much like the Tetra adversary proceeding, litigation is unpredictable and, presuming claims exist against Genesis, it is impossible to determine an outcome with confidence.

B. Certain Tax Considerations

There are a number of material income tax considerations, risks and uncertainties associated with consummation of the Joint Plan. Holders of Claims, and other interested parties, should read carefully the discussion set forth in the article of this Disclosure Statement entitled "Certain U.S. Federal Income Tax Consequences" for a discussion of certain U.S. federal income tax consequences of the transactions contemplated under the Joint Plan.

XII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE JOINT PLAN

The Debtor has concluded that the Joint Plan will maximize recoveries to holders of Claims. If no plan of reorganization can be confirmed, the Chapter 11 Case of the Debtor may be converted to a case under chapter 7, in which event a trustee would be elected or appointed to liquidate the properties and interests in property of the Debtor for distribution to their creditors in accordance with the priorities established by the Bankruptcy Code. The Debtor believes that liquidation under chapter 7 would result in smaller distributions being made to creditors than those provided for under the Joint Plan because (i) the chapter 7 trustee's unfamiliarity with the Debtor and its industry would lead to additional costs for the Estate, (ii) there is a justifiable mechanism to adjudicate Health Care Claims in a coherent fashion under the Joint Plan; and (iii) in a liquidation of the Debtor under chapter 11, any Causes of Action retained by the Estate likely will be pursued in a more orderly fashion and over a more extended period of time than in a liquidation under chapter 7, potentially resulting in greater recoveries. Accordingly, the Debtor has determined that confirmation of the Joint Plan will likely provide each holder of a Claim with a greater recovery than it would receive pursuant to liquidation of the Debtor under chapter 7.

XIII. CONCLUSION

The Debtor believes that the Joint Plan is in the best interest of all holders of Claims, and urges all holders of impaired Claims in the Debtor to vote to accept the Joint Plan and to evidence such acceptance by returning their Ballots in accordance with the instructions accompanying this Disclosure Statement.

Dated: May 22, 2017

Respectfully submitted,

CH LIQUIDATION ASSOCIATION F/K/A
COSHOCTON COUNTY MEMORIAL HOSPITAL
ASSOCIATION

By: _/s/ Joseph Oriti___________________________
Name: Joseph Oriti
Title: Chief Restructuring Officer